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Marketing Livestock Products

Agriculture and Natural Resources Fact Sheet #521

Consumer trends indicate a growing interest in locally produced livestock products. Consumers are increasingly interested in knowing where their food comes from including how animals are raised and slaughtered. Some promising opportunities for livestock producers lie in niche marketing (targeting a specific gap in the market) and relationship marketing (building relationships with people by meeting their needs). Target a gap in the market, develop strong relationships with customers, and stick to your marketing program. If you deliver quality products on a consistent basis, word about your operation and products will spread in a favorable way.

The high perishability of some livestock products means marketing may require a little more research and preparation than other farm products. Be thorough in your market research and develop a good understanding of the regulations concerning the sale of meat and dairy products. Some ideas to help you research your market as well as brief descriptions of some regulations you will need to understand are presented here.

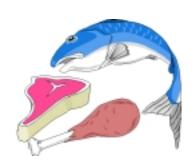
Market Options

Once you have decided what type of livestock operation you want to have and what your product is, you must decide on a market. Perhaps the first of your decisions should be whether to sell retail, wholesale, or some combination of both. *Retail* means selling directly to consumers, whereas *wholesale* means selling to others who then sell your product to consumers. Many options are available and a few are listed here. But don't be limited to this list. Be creative!

Retail markets

Selling livestock products directly to consumers involves word of mouth advertising, relationship marketing, and consumer education via direct interactions. Some opportunities include targeting ethnic or religious groups (e.g., Asians, Hmong, Muslims), establishing a mail order business, or selling through a CSA (Community Supported Agriculture) farm in which two or more farms pool their resources to supply customers. This setup allows the CSA farm to offer a wider variety of products including meat, eggs, and dairy. Although selling eggs at farmers' markets may be a profitable venture, in King County it is currently not legal to sell fresh meat at these venues. However, if you sell other farm products at farmers' markets, you may be able to do some relationship

marketing by letting regular customers know about options to buy directly from your farm.



Wholesale markets

Although word of mouth and relationship marketing may still be a part of wholesale marketing of livestock products, wholesale marketing usually involves more formal consumer education of buyers such as restaurants and grocery stores. Information you share about the way your animals are raised and the way products are processed must appeal to potential buyers and their clients. Many grocery stores are promoting locally grown products. Such stores may be just the place to market locally and/or organically grown meat. Restaurants that promote local produce may also show interest in serving locally and naturally grown meat or dairy products. Of course, selling to grocery stores and restaurants requires access to USDA approved slaughtering facilities and can mean undertaking extensive delivery schedules. The issue of dealing with unwanted cuts of meat may also be a concern in these markets. Another wholesale option that removes some of the risk and hassle is selling through cooperatives such as CROPP (Coulee Regional Organic Produce Pool). In this case, organic egg, milk, and beef producers sell directly to the cooperative, which then markets to consumers. Cooperative producers enjoy such benefits as steady prices as well as advice on herd health and nutrition.

Opportunities for Specific Products

Dairy

Demand for organic milk, cheese, and other dairy products is increasing. One way to market dairy products is to sell through a cooperative such as CROPP under the brand Organic Valley. Organic milk can bring a price of \$17-20/hundredweight. Consumer interest in specialty foods could mean opportunities in marketing specialty cheeses.

Eggs

Niche markets offer opportunities to sell specialty eggs such as free range, colored, or organically produced eggs to restaurants, grocery stores, or directly to consumers. (See Agriculture and Natural Resources Fact Sheet #511: Farm Fresh Eggs—Marketing and Regulations).

Meat & Poultry

Opportunities for marketing organic meat will likely increase

because of the recent USDA decision to allow organic certification labeling of meat, and as consumer concern for environmentally sound farming practices grows. Until now, meat grown using organic practices could not be certified organic and was often sold with various descriptors such as "natural," "pasture raised", "hormone free", "antibiotic free", "humanely raised", or "environmentally raised." In fact, natural beef retail sales have increased about 20 percent annually over the last five years (*The Furrow*, Spring 1999). However, organic

means more than natural, it means humane, environmentally sound, drug and chemical free. Organic production practices are not new—they are the same as those used before World War I. With the average price 20 percent higher than conventionally grown beef, many beef producers are pushing to get organic certification. For one lamb producer (Rockin' C and L Ranch, Oregon), organic lamb that sells for \$60-70 on the hoof can command up to \$250 butchered, wrapped, and sold to restaurants.

Fiber and Other Products

Don't overlook the many livestock products other than food that also can be marketed. Consider getting the most out of your livestock operation by marketing a variety of products including feathers, hides, wool, manure, fats and oils (e.g., lanolin), bones, horns, and hooves. Such by-products can be marketed for use in clothing, medicine, cosmetics, decoration, and more.

What You Can and Cannot Do (Legally)

One of the greatest challenges to marketing livestock products is understanding the regulations that affect different operations. The following is meant to provide a starting place for finding out about regulations. Keep in mind that laws and regulations can change, new ones may be added, and old ones dropped at any time. Contact agencies directly for the most accurate up-to-date information. Contact information for various regulatory agencies is provided in the *Resources* section at the end of this fact sheet.

On-Farm Sales (Direct/Retail)

Dairy: To sell milk and milk products anywhere requires a grade A dairy license (requiring mechanical bottling apparatus, among other things) and a Milk Vendor's license from the Washington State Department of Agriculture.

Eggs: Eggs can be sold directly to consumers at the place of production without purchase of an Egg Dealer's License from WSDA if you have 3,000 laying hens or less. (For details see Agriculture and Natural Resources Fact Sheet #511: Farm Fresh Eggs—Marketing and Regulations).

Fish: Fish farming of salmon requires an Aquaculture Farm

Registration with the Washington State Department of Fisheries. Salmon aquaculture farms can only sell

purchase a Wholesale Fish Dealer's License. Farming fish other than salmon (e.g., game fish including trout or bullfrogs) requires a Game Farmer's Registration. This registration is both wholesale and retail and is free. Fish sold at the place of operation are subject to inspection under the regulations of the Food Inspection Program, WSDA.

to licensed wholesale fish dealers unless they

Meat: Livestock producers may sell live animals by live weight directly to the consumer for household use by the purchaser. One or more persons may purchase an animal (cattle, hogs, sheep, goats). The animal may then be slaughtered through use of licensed custom slaughter operations. Custom slaughter operations must be licensed by WSDA. (For further information see Fact Sheet #523).

Poultry: The custom slaughter exemption allows direct sales of live birds to be slaughtered for the household use of the purchaser. Producers can slaughter up to 250 turkeys, 1,000 chickens, or equivalent small birds during one calendar year if the producer is not engaged in the buying or selling of poultry products other than those of their own raising.

Off-Farm Sales (Wholesale)

Dairy: See On-Farm Sales.

Eggs:

Anyone who sells eggs to retailers or dealers (e.g., grocery stores, restaurants, hotels, institutions) **or** with more than 3,000 laying hens must comply with the USDA Egg Products Inspection Act and the state's Wholesome Egg and Egg Products Act (RCW 69.25). An egg handler's license is required as well as the purchase of egg seals. (Contact WSDA Egg Inspection Program and see Agriculture and Natural Resources Fact Sheet #511 for details).

Fish: See On-Farm Sales.

Meat: Federal, State, and County laws apply. King County is one of the few counties with its own meat code. All slaughtered and processed meat sold in the state must be inspected by the USDA and slaughtered in USDA-inspected plants. Labels for beef, veal, lamb, calf, and mutton must have meat grade identification of either the true USDA grade, the term "ungraded (product)," or the term "imported (country of origin) (product)." Contact USDA and King County Health Inspectors for details.

Poultry: All slaughtered and processed poultry sold in the state must be inspected by the USDA and slaughtered in USDA-inspected plants. Contact USDA and King County Health Inspectors for details.

Resources

Organizations/Associations

Appropriate Technology Transfer for Rural Areas (ATTRA). Livestock Marketing Information Center

<mic1.co.nrcs.usda.gov/>.

Livestock Marketing Association, 7509 Tiffany Springs Pkwy., Kansas City, MO 64153-2315; (800) 821-2048; <www.lmaweb.com>.

Organic Valley / CROPP Cooperative, 507 W. Main Street - PO Box 159 - La Farge, WI 54639, (608) 625-2602; email: organic@organicvalley.com; web: www.organicvalley.com>.

Aquaculture

Washington Farmed Salmon Commission, PO Box 5305, Bellingham, WA 98227, (360) 671-1997.

Washington Fish Growers Association, 10420 173rd Ave SW, Rochester, WA 98579; (360) 273-5890.

<u>Beef</u>

Direct Cattle Marketing, Box 36, Connell, WA 99326 (509) 234-4361.

National Cattleman's Beef Association, 1301 Pennsylvania Ave. NW, Suite 300, Washington, D.C. 20004; (202) 347-0228; web: < www.beef.org/ncba.htm > .

<u>Goats</u>

American Dairy Goat Association, West Main Street, P O Box 865, Spindale, NC 28160, (828) 286-3801; e-mail: info@adga.org; web: www.adga.org/>.

Northwest Market Goat Co-op, PO Box 845, Rufus, OR 97050. Sonya Lindsey, President (509) 365-3490; Jo Van Hoy, Treasurer, (509) 773-5988; email: blackpackranch@hotmail.com. Bimonthly newsletter.

Western Washington Representatives: Jim and Josey Baine (360) 832-4442; gycashmere@worldnet.att.net.

<u>Hogs</u>

National Pork Producers Council, PO Box 10383, Des Moines, IA 50306; email: pork@nppc.org; web: www.nppc.org>.

Poultry

The National Turkey Federation, 1225 New York Avenue NW, Suite 400, Washington, D.C. 20005, (202) 898-0100; email: info@turkeyfed.org; web:

<<u>www.eatturkey.com</u>>.

US Poultry and Egg Association, 1530 Cooledge Road, Tucker, Georgia 30084-7303; (770) 493-9401; email: webmaster@poultryegg.org; web:

< www.poultryegg.org > .

Washington Emu Association, President, Fritz Gottfried, 25848 SE 192nd Street, Maple Valley, WA 98038; (425) 432-1303; web: www.pier37.com/wsea/>.

<u>Sheep</u>

American Sheep Industry Association, 6911 S Yosemite St, Englewood, CO 80112-1414; (303) 771-3500; web: www.sheepusa.org/resource>.

Puget Sound Purebred Sheep Breeders Association, 31006 68th Ave NW, Stanwood, WA 98292; (360) 629-2994.

Sheep and Goat Marketing Page < www.intercom.net/user/sschoen/market.html>.

Washington Wool Growers Association, PO Box AD, Moses Lake, WA 98837.

Western Washington Sheep and Fleece Shows, Inc. 21420 204th Ave SE, Maple Valley, WA 98038; (425) 432-3455.

Publications

Capital Press Agriculture Weekly, 1400 Broadway NEW, Salem, OR 97303; (800) 882-6789.

The Cattleman 1301 W. 7th St., Fort Worth, TX 76102-2660, (817) 332-7155, fax -5446.

CreamLine: A Big Voice for Little Dairies. PO Box 186, Willis, VA 24380.

Dairy Goat Journal P.O. Box 10, Lake Mills, WI 53551 Dairy Goats for Pleasure and Profit by Harvey Considine Livestock Weekly P.O. Box 3306; San Angelo, TX. 76902 (915) 949-4611; (800) 284-5268; email:

bfrank@livestockweekly.com; web:

< www.livestockweekly.com/>.

Pastured Poultry Profits by Joel Salatin, Chelsea Green Publishing, 1996.

Poultry Press P.O. Box 542, Connersville, ID 47331, (317) 827-0932.

Raising Sheep the Modern Way by Paula Simmons, Garden Way Publishing.

Salad Bar Beef by Joel Salatin, Polyface Publishing, 1996. The Sheep Producer Rt. 2, Box 131-A, Arlington, KY 42021, (502) 655-6871.

Small-Scale Poultry Keeping : A Guide to Free Range Poultry Production by Ray Feltwell, Faber and Faber.

Regulations

USDA Food Safety and Inspection Service (FSIS), Office of Policy, Program Development and Evaluation, Labeling and Additives Policy Division

Phone: (202) 205-0279; web: < www.fsis.usda.gov > . Field Office

530 Center Street, NE, Room 405, Salem, OR 97301 Phone: (503) 399-583; fax: (503) 399-5636.

Washington State Department of Agriculture (WSDA), PO

Box 42560, Olympia, WA 98504-2560 Custom Meat Inspection (360) 902-2095 Dairy Inspection (360) 902-1875 Egg Inspection (360) 902-1830 Food Inspection (360) 902-1876 Organic Food Program (360) 902-1924.

Washington State Department of Fish and Wildlife, Hatcheries Division, Aquaculture Registration, 600 Capital Way North, Olympia, WA 98501-1091:

Capital Way North, Olympia, WA 98501-1091; (360)902-2661.

Seattle King County Department of Public Health

999 Third Ave, Suite 700, Seattle, WA 98104-4099 Marilyn Christensen, Public Health Veterinarian (206) 296-4880

Inspectors: Dennis Montoya (206)296-9842; Leonard Winchester (206) 296-4632; Jim Thompson (206)205-1926.

- Kapowsin Meat, 29401 118th Ave E, Graham WA 98338; (253)847-1777.
- Lampaert Meats, 17658 W Snoqualmie River Rd N, Duvall, WA 98019; (425) 788-1128.
- Puget Packing, 24711 Florence Rd, Stanwood, WA 98292; (360) 629-2792.
- Weber's Meat Packing, 5221 160th Ave E, Sumner, WA 98390-3134; (253) 863-6334. (Note: as of this printing, Weber's had just assumed new ownership. Call to verify that USDA status has been maintained).
- Schenk Packing Co, 8204 288th St N, Stanwood, WA 98292; (360)629-3939.

WSDA Inspected Facilities

<u>Custom Slaughtering Establishments</u> (You bring the animal to them for slaughter.)

- Alm Ranch, 3724 324th Ave SE, Fall City ,WA 98024; (425)222-5650.
- Carl Heitstuman, 14202 16th St, Sumner, WA 98390; (253) 863-2433.
- Danmar Farms, 30621 SE 31st St, Fall City, WA 98024; (425)222-3822
- Misty Island Farms, 12011 SW 220th St, Vashon, WA 98070; (206)933-5233.
- Pfeiffer Farm's, 31439 W Commercial, Carnation, WA 98014; (425) 333-4934.
- Rocky Acers Farm, 2014 Kinsman Ct E, Roy, WA 98580; (360) 832-6394.

<u>Custom Farm Slaughter</u> (They come to your farm for slaughter) & <u>Custom Meat Facilities</u> (They butcher meat for custom use and sell USDA inspected meat).

- Bart Marzolf's Locker Meats, 7415 79th Ave SE, Snohomish, WA 98290-5846; (360) 568-4748.
- Bradley's Butcher Block, Inc. 20104 SE 436th, Enumclaw, WA 98022; (360)825-3340.
- Denny's Farm Butchering, 2120 128th E, Tacoma, WA 98445-3620; (253) 537-9377.
- Hobart Custom Meat & Slaughtering, Hobart, WA 98038-7825; (425) 432-0704.
- Kelso Kustom Meats, 216 Maple Ave, Snohomish, WA 98290-2524; (360) 568-3065.
- Lind's Mobile Farm Slaughtering & Custom Cutting, 23022 172nd SE, Kent, WA 98042-4713; (253) 631-3172.
- The Meat Shop of Tacoma, 13419 Vickery Rd. E., Tacoma, WA 98446; (253)537-4490.

Washington State Public Livestock Auction Markets

- Cattlemen's Livestock Exchange, (306) 458-3427, 17020 Hwy 507, Yelm, WA 98597.
- Chehalis Livestock Market, (360) 748-3191, 328 Hamilton Rd N, Chehalis, WA 98532-8874.
- Davenport Livestock Exchange, (360) 725-1101, PO Box 126, Davenport, WA 99122.
- Ellensburg Livestock Exchange, (509) 925-3173, PO Box 531, Ellensburg, WA 98926

- Enumclaw Sales Pavillion, Inc., (360)825-3135, 22712 436th St., Enumclaw, WA 98022.
- Everson Sales Pavilion, (360) 986-3271, 7291 Everson-Goshen Rd, Everson, WA 98247.
- Marysville Livestock Auction Inc, (360) 659-5063 or (360) 659-9916, Arlington, WA 98223.
- Okanogan Livestock Market, Inc., (509) 422-3660, PO Box 527, Okanogan, WA 98840.
- Stockton Livestock Exchange Inc, (509) 535-2444, TA Box 2765, Spokane, WA 99220.
- Toppenish Livestock Commission, (509) 865-2820, 428 South G, Toppenish, WA 98948-1777.
- Twin City Sale Inc, (360) 736-6304, 1305 S Gold St, Centralia, WA 98531-3717.
- Walla Walla Livestock Auction, (509) 529-2943, Rt 2 Box 269A, Walla Walla, WA 99362.
- Woody's Auction Market, (360) 225-7974, 40206 NW Cardia Hill Rd, Woodland, WA 98674-2914.

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- Washington State Department of Agriculture. 1989. The Regulation Handbook for Direct Farm Marketers.

Alternate formats available upon request. 206-205-3100 (TTY 711)

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Special recognition to reviewers: Josey Baine, Northwest Market Goat Co-op; Marilyn Christensen, Seattle-King County Department of Public Health; Roy Vataja, WSDA.

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